



Milwaukee County

Employees' Retirement System
of Milwaukee County
Monthly Update
March 31, 2012

Total Fund Composite

Manager Status

Market Value: \$1,777.5 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital - Non Lending	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
I Shares MCG	Mid-Cap Growth	In Compliance	---
AQR	Small-Cap Value	In Compliance	---
Fiduciary Management	Small-Cap Value	In Compliance	---
Barings	Non-U.S. Large-Cap Core	In Compliance	---
GMO Large-Cap	Non-U.S. Large-Cap Value	On Notice	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	Alert	Performance
ABS	Hedged Equity Hedge FoF	Alert	Performance
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	Alert	Professional Turnover
Morgan Stanley	Core Real Estate	Alert	Professional Turnover
Trumbull Property Fund	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,777.5 Million and 100.0% of Fund

Ending March 31, 2012

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,777,508,391	-42,388,812	100.0	100.0	0
Fixed Income Composite		480,870,698	-147,549	27.1	29.0	-34,606,718
J.P. Morgan	Core Fixed Income	322,058,462	-131,615	18.1		
Mellon Capital	Core Fixed Income	158,812,235	-15,934	8.9		
U.S. Equity Composite		426,400,604	-25,473,761	24.0	23.0	17,573,674
Boston Partners	Large-Cap Value	130,730,003	-12,563,940	7.4	7.0	6,304,416
Mellon Capital - Non Lending	Large-Cap Core	107,430,961	-12,511,005	6.0	6.0	780,458
Artisan Partners	Mid-Cap Growth	52,241,252	-75,470	2.9	2.5	7,803,542
I Shares MCG	Mid-Cap Growth	41,076,052	36,571,664	2.3	2.5	-3,361,658
AQR	Small-Cap Value	44,447,454	-101,582	2.5	2.5	9,744
Fiduciary Management	Small-Cap Value	50,474,882	-81,598	2.8	2.5	6,037,172
International Equity Composite		339,428,117	0	19.1	18.0	19,476,588
Barings	Non-U.S. Large-Cap Core	118,266,328	0	6.7	6.0	11,615,825
GMO Large-Cap	Non-U.S. Large-Cap Value	94,916,435	0	5.3	6.0	-11,734,068
GMO Small-Cap	Non-U.S. Small-Cap Value	68,366,691	0	3.8	3.0	15,041,439
Barings EM	Emerging Markets	57,878,662	0	3.3	3.0	4,553,410
Hedged Equity Composite		183,073,038	-8,000,000	10.3	10.0	5,322,199
ABS	Hedged Equity Hedge FoF	93,668,925	-4,000,000	5.3	5.0	4,793,505
K2	Hedged Equity Hedge FoF	89,404,114	-4,000,000	5.0	5.0	528,694
Real Estate Composite		131,853,278	13,431,508	7.4	7.0	7,427,691
American Realty Advisors	Core Real Estate	27,760,184	-400,825	1.6		
Morgan Stanley	Core Real Estate	88,602,577	-1,149,984	5.0		
Trumbull Property Fund	Core Real Estate	15,451,875	15,000,000	0.9		
Infrastructure Composite		133,450,973	-2,839,584	7.5	7.0	9,025,386
IFM	Core Infrastructure	74,086,507	-1,819,600	4.2	3.5	11,873,713
J.P. Morgan	Core Infrastructure	59,364,467	-1,019,984	3.3	3.5	-2,848,327

Total Fund Composite

Market Value: \$1,777.5 Million and 100.0% of Fund

Ending March 31, 2012

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		27,025,021	-584,705	1.5	6.0	-79,625,482
Progress	U.S. Private Equity FoF	19,655	-9,030	0.0		
Brinson 1998	U.S. Private Equity FoF	312,981	0	0.0		
Brinson 1999	U.S. Private Equity FoF	407,677	-79,242	0.0		
Brinson 2000	U.S. Private Equity FoF	1,305,060	-216,090	0.1		
Brinson 2001	U.S. Private Equity FoF	2,663,787	-244,741	0.1		
Brinson 2002	U.S. Private Equity FoF	1,744,857	-148,646	0.1		
Brinson 2003	U.S. Private Equity FoF	1,382,194	-107,057	0.1		
Brinson 2004	U.S. Private Equity FoF	2,146,040	-112,532	0.1		
Adams Street 2005	U.S. Private Equity FoF	7,324,040	-118,761	0.4		
Adams Street 2009	U.S. Private Equity FoF	9,718,730	451,394	0.5		
Separate Account	Divers. Private Equity	0	0	0.0		
Total Cash Equivalents		55,406,663	-18,774,721	3.1	0.0	55,406,663

Total Fund Composite

Annualized Performance (Gross of Fees)

Market Value: \$1,777.5 Million and 100.0% of Fund

Ending March 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	0.9	6.6	6.6	4.0	8.1	14.3	3.8	2.9	5.7	6.9
<i>Total Fund Benchmark</i>	0.8	7.3	7.3	6.2	9.3	16.6	3.9	3.0	5.6	6.4
Fixed Income Composite	-0.4	0.7	0.7	7.5	6.5	9.7	6.8	6.6	6.3	7.2
<i>Barclays Capital Aggregate</i>	-0.5	0.3	0.3	7.7	6.4	6.8	5.9	6.2	5.7	5.8
U.S. Equity Composite	3.2	13.8	13.8	5.5	12.2	25.1	5.9	3.3	6.1	5.8
<i>Dow Jones U.S. Total Stock Market (Full-Cap)</i>	3.1	13.1	13.1	7.2	12.2	24.4	4.7	2.5	5.4	5.1
International Equity Composite	-0.8	10.9	10.9	-5.6	3.4	16.7	-3.3	-4.0	0.6	3.3
<i>MSCI ACWI ex USA Gross</i>	-1.3	11.3	11.3	-6.7	2.9	19.6	-2.0	-1.1	5.5	7.7
Hedged Equity Composite	0.5	5.2	5.2	-0.8	2.5	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.4	3.9	3.9	-13.2	-4.4	0.9	-5.1	-4.7	-1.2	0.7
<i>Russell 3000</i>	3.1	12.9	12.9	7.2	12.2	24.3	4.3	2.2	5.1	4.7
<i>MSCI ACWI</i>	0.7	11.9	11.9	-0.7	6.4	20.8	0.0	-0.2	4.6	5.3
Real Estate Composite	3.0	3.0	3.0	13.1	15.3	33.0	3.0	-1.2	7.3	10.3
<i>Custom Real Estate Benchmark</i>	0.8	2.6	2.6	13.6	13.5	34.4	0.4	-3.5	5.4	9.7
<i>NFI</i>	0.9	2.8	2.8	14.7	17.4	4.1	-3.6	-0.4	4.6	6.4
Infrastructure Composite	1.3	2.4	2.4	6.0	--	--	--	--	--	--
<i>CPI +4%</i>	1.1	2.6	2.6	6.7	6.8	6.6	5.9	6.3	6.6	6.6
Private Equity Composite	0.0	0.0	0.0	3.6	11.6	14.2	3.3	5.1	12.7	10.3
<i>Venture Economics All PE</i>	0.0	0.0	0.0	4.1	11.5	15.2	4.3	5.5	10.6	10.0

Investment Manager

Annualized Performance (Gross of Fees)

Market Value: \$1,777.5 Million and 100.0% of Fund

Ending March 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	0.9	6.6	6.6	4.0	8.1	14.3	3.8	2.9	5.7	6.9
<i>Total Fund Benchmark</i>	0.8	7.3	7.3	6.2	9.3	16.6	3.9	3.0	5.6	6.4
Fixed Income Composite	-0.4	0.7	0.7	7.5	6.5	9.7	6.8	6.6	6.3	7.2
<i>Barclays Capital Aggregate</i>	-0.5	0.3	0.3	7.7	6.4	6.8	5.9	6.2	5.7	5.8
J.P. Morgan	-0.3	0.8	0.8	7.4	6.5	7.5	6.4	6.5	--	--
<i>Barclays Capital Aggregate</i>	-0.5	0.3	0.3	7.7	6.4	6.8	5.9	6.2	5.7	5.8
Mellon Capital	-0.5	0.4	0.4	7.7	6.4	6.7	5.9	6.3	5.8	5.8
<i>Barclays Capital Aggregate</i>	-0.5	0.3	0.3	7.7	6.4	6.8	5.9	6.2	5.7	5.8
U.S. Equity Composite	3.2	13.8	13.8	5.5	12.2	25.1	5.9	3.3	6.1	5.8
<i>Dow Jones U.S. Total Stock Market (Full-Cap)</i>	3.1	13.1	13.1	7.2	12.2	24.4	4.7	2.5	5.4	5.1
Boston Partners	3.9	14.7	14.7	8.3	11.2	24.1	6.2	3.3	6.9	6.4
<i>Russell 1000 Value</i>	3.0	11.1	11.1	4.8	9.8	22.8	1.6	-0.8	3.5	4.6
Mellon Capital - Non Lending	3.3	12.6	12.6	8.5	12.0	23.4	3.9	2.0	4.7	4.2
<i>S&P 500</i>	3.3	12.6	12.6	8.5	12.0	23.4	3.9	2.0	4.7	4.1
Artisan Partners	3.0	21.2	21.2	11.6	22.6	33.6	12.3	10.4	11.4	9.4
<i>Russell MidCap Growth</i>	2.2	14.5	14.5	4.4	15.0	29.2	6.8	4.4	7.2	6.9
I Shares MCG	2.2	12.3	12.3	--	--	--	--	--	--	--
<i>Russell MidCap Growth</i>	2.2	14.5	14.5	4.4	15.0	29.2	6.8	4.4	7.2	6.9
AQR	3.1	11.9	11.9	-1.9	9.1	29.0	5.1	0.7	--	--
<i>Russell 2000 Value</i>	3.1	11.6	11.6	-1.1	9.2	25.4	4.7	0.0	4.6	6.6
Fiduciary Management	2.1	8.8	8.8	-1.2	9.6	--	--	--	--	--
<i>Russell 2000 Value</i>	3.1	11.6	11.6	-1.1	9.2	25.4	4.7	0.0	4.6	6.6
International Equity Composite	-0.8	10.9	10.9	-5.6	3.4	16.7	-3.3	-4.0	0.6	3.3
<i>MSCI ACWI ex USA Gross</i>	-1.3	11.3	11.3	-6.7	2.9	19.6	-2.0	-1.1	5.5	7.7
Barings	-1.2	11.5	11.5	-1.0	4.7	17.0	-2.6	--	--	--
<i>MSCI EAFE</i>	-0.5	10.9	10.9	-5.8	2.0	17.1	-3.7	-3.5	3.2	5.7
GMO Large-Cap	-0.2	7.5	7.5	-7.5	1.2	13.9	-4.8	-4.6	2.4	7.2
<i>MSCI EAFE</i>	-0.5	10.9	10.9	-5.8	2.0	17.1	-3.7	-3.5	3.2	5.7
<i>MSCI EAFE Value</i>	-1.1	9.7	9.7	-7.8	-0.1	16.5	-4.6	-5.2	2.2	5.8
GMO Small-Cap	1.9	13.6	13.6	-4.5	6.1	--	--	--	--	--
<i>MSCI EAFE Small Cap Gross</i>	0.1	14.9	14.9	-5.9	6.4	24.5	-0.2	-2.4	4.6	10.3
Barings EM	-4.3	12.1	12.1	-12.3	1.5	--	--	--	--	--
<i>MSCI Emerging Markets</i>	-3.3	14.1	14.1	-8.8	3.9	25.1	0.9	4.7	12.2	14.1
Hedged Equity Composite	0.5	5.2	5.2	-0.8	2.5	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.4	3.9	3.9	-13.2	-4.4	0.9	-5.1	-4.7	-1.2	0.7
<i>Russell 3000</i>	3.1	12.9	12.9	7.2	12.2	24.3	4.3	2.2	5.1	4.7
<i>MSCI ACWI</i>	0.7	11.9	11.9	-0.7	6.4	20.8	0.0	-0.2	4.6	5.3
ABS	0.3	4.2	4.2	-0.2	3.0	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.4	3.9	3.9	-13.2	-4.4	0.9	-5.1	-4.7	-1.2	0.7
<i>Russell 3000</i>	3.1	12.9	12.9	7.2	12.2	24.3	4.3	2.2	5.1	4.7
<i>MSCI ACWI</i>	0.7	11.9	11.9	-0.7	6.4	20.8	0.0	-0.2	4.6	5.3
K2	0.7	6.1	6.1	-1.5	2.0	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.4	3.9	3.9	-13.2	-4.4	0.9	-5.1	-4.7	-1.2	0.7
<i>Russell 3000</i>	3.1	12.9	12.9	7.2	12.2	24.3	4.3	2.2	5.1	4.7
<i>MSCI ACWI</i>	0.7	11.9	11.9	-0.7	6.4	20.8	0.0	-0.2	4.6	5.3

Investment Manager

Annualized Performance (Gross of Fees)

Market Value: \$1,777.5 Million and 100.0% of Fund

Ending March 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Real Estate Composite	3.0	3.0	3.0	13.1	15.3	33.0	3.0	-1.2	7.3	10.3
<i>Custom Real Estate Benchmark</i>	0.8	2.6	2.6	13.6	13.5	34.4	0.4	-3.5	5.4	9.7
<i>NFI</i>	0.9	2.8	2.8	14.7	17.4	4.1	-3.6	-0.4	4.6	6.4
American Realty Advisors	3.0	3.0	3.0	13.4	--	--	--	--	--	--
<i>NFI</i>	0.9	2.8	2.8	14.7	17.4	4.1	-3.6	-0.4	4.6	6.4
Morgan Stanley	3.0	3.0	3.0	16.5	--	--	--	--	--	--
<i>NFI</i>	0.9	2.8	2.8	14.7	17.4	4.1	-3.6	-0.4	4.6	6.4
Trumbull Property Fund	3.0	3.0	3.0	--	--	--	--	--	--	--
<i>NFI</i>	0.9	2.8	2.8	14.7	17.4	4.1	-3.6	-0.4	4.6	6.4
Infrastructure Composite	1.3	2.4	2.4	6.0	--	--	--	--	--	--
<i>CPI +4%</i>	1.1	2.6	2.6	6.7	6.8	6.6	5.9	6.3	6.6	6.6
IFM	2.4	4.4	4.4	6.1	--	--	--	--	--	--
<i>CPI +4%</i>	1.1	2.6	2.6	6.7	6.8	6.6	5.9	6.3	6.6	6.6
J.P. Morgan	0.0	0.0	0.0	5.5	--	--	--	--	--	--
<i>CPI +4%</i>	1.1	2.6	2.6	6.7	6.8	6.6	5.9	6.3	6.6	6.6
Private Equity Composite	0.0	0.0	0.0	3.6	11.6	14.2	3.3	5.1	12.7	10.3
<i>Venture Economics All PE</i>	0.0	0.0	0.0	4.1	11.5	15.2	4.3	5.5	10.6	10.0

Total Fund Composite

Fee Schedule

Market Value: \$1,777.5 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.17% \$533,088	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$63,525	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.21% \$268,230	0.51%
Large-Cap Core	Mellon Capital - Non Lending	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$42,972	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.79% \$413,448	0.68%
Mid-Cap Growth	I Shares MCG	0.25% on the Balance	0.25% \$102,690	0.27%
Small-Cap Value	AQR	1.00% on the first \$25 million 0.85% on the next \$50 million 0.75% on the Balance	0.93% \$415,303	0.95%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$332,849	0.83%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$886,997	0.68%
Non-U.S. Large-Cap Value	GMO Large-Cap	0.67% on the Balance	0.67% \$635,940	1.04%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$512,750	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$434,090	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$796,186	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$804,637	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,777.5 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$263,722	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$797,423	1.03%
Core Real Estate	Trumbull Property Fund	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.91% \$140,478	1.03%
Core Infrastructure	IFM	1.25% on the first \$250 million 1.15% on the next \$250 million 1.00% on the Balance (two year hard lock)3 Performance Fee: 20% of return above 8% on a rolling three year basis (begins 12/31/11)	1.25% \$926,081	1.80%
Core Infrastructure	J.P. Morgan	2.00% on the Balance (six year soft lock, no performance fee)3	2.00% \$1,187,289	1.80%
Private Equity	Adams Street	0.90% on the Balance until 2016 *based on \$40mm commitment	0.90% \$243,225	1.11%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$13,852	0.20%
Total Investment Management Fees			0.55% \$9,814,776	1.81%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.55% \$9,864,776	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

² Source: 2010 Marquette Associates Investment Management Fee Study.

³ Hard Lock-Up - investors can withdraw 2.5% per quarter, free of charge during lock-up period. Soft Lock-Up - investors can withdraw semi-annually with a 6% redemption fee charged during lock-up period (4% to the Fund and 2% to the manager).